

2018 Regular Session

HOUSE BILL NO. 170

BY REPRESENTATIVE FOIL

LABOR: Provides relative to non-competition provisions in employment contracts

1 AN ACT

2 To amend and reenact R.S. 23:921(A)(1), relative to employment contracts; to provide for
3 the nullity of non-compete agreements in certain circumstances; and to provide for
4 related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 23:921(A)(1) is hereby amended and reenacted to read as follows:

7 §921. Restraint of business prohibited; restraint on forum prohibited; competing
8 business; contracts against engaging in; provisions for

9 A.(1) Every contract or agreement, or provision thereof, by which anyone is
10 restrained from exercising a lawful profession, trade, or business of any kind, except
11 as provided in this Section, shall be null and void. However, every contract or
12 agreement, or provision thereof, which meets the exceptions as provided in this
13 Section, shall be enforceable, unless an employee who is subject to the restrictions
14 of the contract or agreement has been involuntarily terminated by his employer.

15 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 170 Original

2018 Regular Session

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Abstract: Invalidates the provisions of a non-compete agreement in the case of involuntary termination.

Present law nullifies the affects of any agreement or contract that prohibits a person from practicing his trade, except as provided by exceptions in present law.

Proposed law retains the nullification of any agreement or contract that prohibits a person from practicing his trade or making a living but supercedes any exception to that nullification when an employee has been involuntarily terminated.

(Amends R.S. 23:921(A)(1))